

Directive No. 7

**TITLE INSURANCE RATES;
IN DIVISION "B"**

November 23, 1966

To All Title Insurance Agents in the Division "B" Area of the State of Louisiana, Composed of the Parishes of Orleans, Jefferson, St. Bernard, Plaquemines, St. Charles, St. James and St. John the Baptist:

It has come to my attention that certain title insurance agents in the Division "B" area of the State of Louisiana are not complying with the new rates, commissions and attorney's fees which were approved by the Casualty and Surety Insurance Division of the Louisiana Insurance Rating Commission on October 4, 1966, and which became effective as of October 15, 1966. I am enclosing herewith the report of the Louisiana Land Title Rating Bureau to all title insurance agents in Division "B" as well as the new rates, commissions and attorney's fees now in effect.

It has been particularly called to my attention that insurance agents are paying attorney's fees to a forwarding attorney in excess of the 30% permitted as will be seen on page 3* of the new rate schedule.

Any agent who pays more than the permitted 30% to a forwarding attorney out of his commission is in violation of the mandatory rates now in force. Upon receipt of a complaint against any agent for violation as above set out, an Order to Show Cause will be issued as to why his license should not be suspended or revoked or why he should not be fined in accordance with the provisions of R.S. 22:1173.

Please be governed accordingly.

Dudley A. Guglielmo
COMMISSIONER OF INSURANCE

* See page D-15 infra.

LOUISIANA INSURANCE REGULATIONS

October 4, 1966

To the National Title Underwriters and Their Representatives in Louisiana's Division "B"

This is to report that at a meeting of the Casualty Insurance Commission held on Tuesday, October 4th, 1966, the annexed revisions to the Title Insurance Rate Schedule in Division "B" were unanimously approved EFFECTIVE AS OF OCTOBER 15th, 1966.

While not applicable to transactions made before then, the new division of rates, commissions and attorney's fees, becomes applicable as of the start of business October 15th, 1966.

It is earnestly recommended to those agents doing business in Orleans, St. Bernard, Plaquemines, Jefferson, St. Charles, St. John the Baptist and St. James Parishes, that they promptly make available to their sources of business in those parishes the revised rates as approved by the Casualty Insurance Commission.

The annexed revised Schedule of Division "B" Rates was a product of:

(a) The specially called meeting of the entire membership of the Louisiana Land Title Rating Bureau held in New Orleans in conjunction with the National Title Underwriters Association of December 2, 1965, which authorized

(b) a committee to be composed of all of the Division "B" members of the Bureau, which met at New Orleans February 8, 1966, and worked out recommendations which were presented to

(c) the specially called meeting of the entire membership of the Louisiana Land Title Rating Bureau held at Baton Rouge on May 18, 1966, which adopted the committee's recommendations with a few minor revisions in language, but suspended its presentation to the Commissioner until September 1, 1966, and

(d) presented to the Casualty Insurance Commission held on October 4, 1966 and unanimously approved effective as of October 15, 1966.

Claudius A. Mayo, Secretary
LOUISIANA LAND TITLE RATING BUREAU

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DIVISION "B" RATES
(Revision effective October 15, 1966)

Rates quoted below are for abstracting (except as hereinafter set forth), examining titles to determine insurability, interim title insurance binder and policy only and do not include charges for securing evidence of proceedings necessary to the examination of titles in parishes, other than Orleans, Jefferson and St. Bernard, which must be furnished the company by the applicant at his cost, nor do they include charges for escrow or closing services.

*Original Title Insurance Rates
Owner's, Leasehold, First Mortgage Policies*

The following shall be rates for original owner's, leasehold and first mortgage title insurance:

Up to \$50,000	\$10.00 per M
Over \$50,000 up to \$200,000	6.50 per M
Over \$200,000 up to \$500,000	5.00 per M
Over \$500,000 up to \$1,000,000	4.50 per M
Over \$1,000,000 up to \$1,500,000	4.00 per M
Over \$1,500,000	3.50 per M
Minimum Fee	40.00

Included in the above all-inclusive charge is a title insurance premium of the following:

Original Title Rates on Owner's or Leasehold Policy

Up to \$3,000	\$17.50
Over \$3,000 to \$50,000	4.50 per M
Over \$50,000 to \$100,000	4.00 per M
Over \$100,000 to \$500,000	3.75 per M
Over \$500,000 to \$1,000,000	3.00 per M
Over \$1,000,000 to \$2,000,000	2.50 per M
Over \$2,000,000	2.25 per M
Minimum Fee	17.50

LOUISIANA INSURANCE REGULATIONS

First Mortgage Policy

Up to \$3,000	\$17.50
Over \$3,000 to \$50,000	3.50 per M
Over \$50,000 to \$100,000	3.00 per M
Over \$100,000 up to \$500,000	2.75 per M
Over \$500,000 up to \$1,000,000	2.25 per M
Over \$1,000,000 to \$2,000,000	2.00 per M
Over \$2,000,000	1.75 per M
Minimum Fee	17.50

Whenever an abstract of title in the Parishes of Orleans, Jefferson and St. Bernard shall consist of more than one chain of title, an abstract charge of \$15.00 for each chain of less than five links, and \$30.00 for each chain of five and more links shall be made.

In addition to the rate hereinabove established a charge of \$25.00 per day will be made for each day required in compiling an abstract of title to realty in the Parishes of St. Charles, St. James, St. John the Baptist and Plaquemines. In lieu of the \$25.00 per day abstract charge hereby established for compiling an abstract in such Parishes, applicant may be required to furnish, at his cost, an abstract of title satisfactory to the company. An abstract continuation charge of \$10.00 shall be made on property in these Parishes for extending the abstract from the effective date of the Interim Title Insurance Binder through the date of filing for record of the instrument to be insured.

Only the principal, its issuing agents and licensed title insurance brokers may lawfully participate in the title insurance portion of the above all-inclusive rate and that commissions to licensed title insurance brokers may be paid only out of the title insurance portion and may not exceed 10% of the title insurance premium portion of the all inclusive charge.

That out of the remainder of the all-inclusive rates no one may participate in this portion, except:

- (a) the issuing agent or the title insurance underwriter.
- (b) an attorney for professional services actually rendered in determining the insurability of the title; provided, however, that an attorney whose professional services are limited to certifying compli-

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ance with the conditions of the interim title insurance binder may participate in an amount not to exceed 30% of this portion of the rate.

(c) an abstractor who furnishes an abstract of the property insured.

NOTE: The above commissions and participations apply only to applications for original and reissuance of policies and cancellation charges.

Claudius A. Mayo, Secretary
LOUISIANA LAND TITLE RATING BUREAU